

107TH CONGRESS
1ST SESSION

H. R. 279

To amend title XVIII of the Social Security Act to prevent sudden disruption of Medicare beneficiary enrollment in Medicare+Choice plans.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2001

Mr. KENNEDY of Rhode Island (for himself, Mr. FROST, Ms. DELAURO, Mr. BARCIA, Mr. FILNER, Mr. BALDACCI, Mr. HINCHEY, and Mr. OLVER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to prevent sudden disruption of Medicare beneficiary enrollment in Medicare+Choice plans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare HMO Im-
5 provement Act of 2001”.

1 **SEC. 2. EXTENSION OF INITIAL MEDICARE+CHOICE CON-**
 2 **TRACT PERIOD TO 2 YEARS.**

3 (a) IN GENERAL.—Section 1857(c)(1) of the Social
 4 Security Act (42 U.S.C. 1395w-27(c)(1)) is amended—

5 (1) by striking “a term of at least 1 year” and
 6 inserting “an initial term of at least 2 years”; and

7 (2) by striking “from term to term” and insert-
 8 ing “for additional 1-year periods thereafter”.

9 (b) EFFECTIVE DATE.—The amendments made by
 10 subsection (a) shall apply to contracts entered into on or
 11 after the date of the enactment of this Act.

12 **SEC. 3. AUTHORITY TO DELAY TERMINATION.**

13 Section 1851(g)(3) of the Social Security Act (42
 14 U.S.C. 1395w-21(g)(3)), as added by section 623(a) of
 15 the Medicare, Medicaid, and SCHIP Benefits Improve-
 16 ment and Protection Act of 2000, is amended by adding
 17 at the end the following new subparagraph:

18 “(E) AUTHORITY TO DELAY EFFECTIVE-
 19 NESS OF A TERMINATION.—

20 “(i) IN GENERAL.—If a
 21 Medicare+Choice organization terminates
 22 a plan under subparagraph (B)(iii), the
 23 Secretary may delay the effectiveness of
 24 such termination for up to 1 year if the
 25 Secretary finds that—

1 “(I) the termination would cause
2 an imminent and serious risk to
3 health to individuals enrolled under
4 the plan under this part;

5 “(II) the termination would re-
6 sult in a significant reduction in the
7 Medicare+Choice plans that are avail-
8 able in the area affected by the termi-
9 nation; or

10 “(III) the chief executive officer
11 of the State in which the termination
12 occurs requests such a delay.

13 “(ii) END OF DELAY.—The Secretary
14 may end a delay under clause (i), before
15 the end of the 1-year period, if the Sec-
16 retary finds that an adequate provider net-
17 work has been established which will pro-
18 vide at least an equal level of insurance
19 coverage as existed on the date the
20 Medicare+Choice organization informed its
21 enrollees of its intention to terminate the
22 plan.”.

1 **SEC. 4. RESTRICTION ON TERMINATION OF**
 2 **MEDICARE+CHOICE PLANS IN SELECTED**
 3 **AREAS WITHIN A METROPOLITAN STATIS-**
 4 **TICAL AREA.**

5 (a) IN GENERAL.—Section 1857(c) of the Social Se-
 6 curity Act (42 U.S.C. 1395w–27(c)) is amended by redes-
 7 ignating paragraph (5) as paragraph (6) and by inserting
 8 after paragraph (4) the following new paragraph:

9 “(5) LIMITATION ON SELECTIVE TERMINATION
 10 OF CONTRACTS.—

11 “(A) IN GENERAL.—Except as provided in
 12 subparagraph (B), if a Medicare+Choice orga-
 13 nization offers a Medicare+Choice plan that
 14 provides coverage in a metropolitan statistical
 15 area (or a New England County Metropolitan
 16 Area) in a State and terminates such coverage
 17 for any part of such area (or Area) in the
 18 State, the Secretary shall terminate any con-
 19 tract with the organization for coverage of any
 20 part of that area (or Area) in that State.

21 “(B) EXCEPTION.—The Secretary may
 22 waive the requirement of subparagraph (A) if
 23 the Secretary finds that terminating contracts
 24 for coverage in all parts of a metropolitan sta-
 25 tistical area (or New England County Metro-
 26 politan Area) in the State would pose an immi-

1 nent and serious risk to the health of individ-
 2 uals enrolled with the organization under this
 3 part in the area (or Area).”.

4 (b) **EFFECTIVE DATE.**—The amendments made by
 5 subsection (a) shall apply to terminations for which notice
 6 is provided on or after the date of the enactment of this
 7 Act.

8 **SEC. 5. CONTINUITY OF CARE IN CASE OF INVOLUNTARY**
 9 **TERMINATION.**

10 (a) **IN GENERAL.**—Section 1852(d) of the Social Se-
 11 curity Act (42 U.S.C. 1395w–22(d)) is amended by adding
 12 at the end the following new paragraph:

13 “(5) **CONTINUITY OF CARE.**—

14 “(A) **IN GENERAL.**—If—

15 “(i) an individual’s enrollment with a
 16 Medicare+Choice plan offered by a
 17 Medicare+Choice organization under this
 18 part is terminated by the organization
 19 (other than for cause with respect to that
 20 individual), and

21 “(ii) on the effective date of such ter-
 22 mination of enrollment the individual is in
 23 a course of treatment for which coverage is
 24 available under the plan and the individual

1 is not at that time covered under another
2 Medicare+Choice plan,
3 notwithstanding such termination the organiza-
4 tion shall continue to provide coverage for the
5 covered course of treatment for a period of 90
6 days after such effective date.

7 “(B) PERMISSIBLE TERMS AND CONDI-
8 TIONS.—The coverage provided under subpara-
9 graph (A) shall be under the same terms and
10 conditions (including applicable policies, proce-
11 dures, and quality assurance standards) as ex-
12 isted on the date before the effective date of the
13 termination.

14 “(C) TERMINATE DEFINED.—In this para-
15 graph, the term ‘terminate’ includes the termi-
16 nation of a Medicare+Choice plan as a result
17 of the expiration or nonrenewal of a contract by
18 the organization under this part.

19 “(D) CONSTRUCTION.—Nothing in this
20 paragraph shall be construed to require the cov-
21 erage of benefits which would not have been
22 covered on the effective date of the termination
23 involved.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to contracts entered into or re-
3 newed on or after the date of the enactment of this Act.

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